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ANVAL 1+2
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**BLM - Cedar City Field Office
Phone Conversation Record**

RECEIVED

FEB 16 2010

Div. of Oil, Gas & Mining

Date: February 11, 2010

Time: 10:00 am

Persons Involved:

Ed Ginouves, BLM CCFO
Mr. Steve Hodges, operator, 435-438-2421 (work), 435-438-2421 (home)

Conversation Notes (by Ed Ginouves):

I called Mr. Hodges to get an update on the Anval (Picasso marble) prospect and inquire about the status of the DOGM request for an increase in reclamation bond from \$1600 to \$3000..

Steve indicated that they wanted to continue small scale extraction of lapidary-grade Picasso marble, although he acknowledged that sales had been slow. Their principle current buyer is a Kenny Myers, a lapidary stone middleman out of Arizona, to whom they sell carving-grade material to for \$0.25/lb in small lots and \$0.15-0.20/lb in larger lots.

Steve said that they will be posting the bond increase and that he would speak with his partners, Steven Gale and Rod Green, and remind them of the necessity to get this done immediately.

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